

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W.R. GRACE & CO., *et al.*,²) Case No. 01-01139 (JKF)
) (Jointly Administered)
)
Debtors) Objection Deadline: To be Determined
Hearing Date: *June 25, 2007 at 2:00 p.m.*

**SUMMARY OF THE QUARTERLY APPLICATION OF WOODCOCK WASHBURN
FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS
SPECIAL LITIGATION COUNSEL AND AS ORDINARY COURSE PROFESSIONALS
FOR W.R. GRACE & CO., ET AL., FOR THE TWENTY THIRD QUARTERLY
INTERIM PERIOD OCTOBER – DECEMBER 2006**

Name of Applicant: Woodcock Washburn LLP

Authorized to Provide Professional Services to: W. R. Grace & Co., et al., Debtors
and Debtors-in-Possession

Date of Retention as Special Litigation Counsel: Retention Order entered January
22, 2003

Date of Retention as Ordinary Course
Professional: Order Permitting Expansion of
Services entered April 15, 2005

Period for which compensation and
reimbursement is sought October 1, 2006, through December
31, 2006

Amount of Compensation sought as actual,
reasonable and necessary: \$20,130.00

Amount of Expense Reimbursement sought as
actual, reasonable and necessary: \$ 721.98

² The Debtors consist of the following 62 entities: W.R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W.R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-g II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W.R. Grace Capital Corporation, W.R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc.), Grace JVH, Inc., Asbestos Management, Inc., Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing System, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc., Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

This quarterly application is for the Twenty Second Interim Period, for the periods July, August, and September, 2006. The following monthly fee applications, within the Eighth through Twenty first Interim Periods, have been previously filed:

Period Covered	Date Filed	Requested Fees	Requested Disbursements
1/1 – 1/31/03	June 9, 2003	\$11,423.30	\$184.10
2/1 – 2/28/03	June 9, 2003	29,216.00	684.22
3/1 – 3/31/03	June 9, 2003	14,351.00	647.43
4/1 – 4/30/03	June 3, 2003	14,268.50	244.41
5/1 – 5/31/03	July 11, 2003	20,293.50	703.19
6/1 – 6/30/03	August 1, 2003	24,087.00	2,822.23
7/1 – 7/31/03	September 18, 2003	14,157.50	1,834.84
8/1/ – 8/31/03	October 17, 2003	5,120.00	2,346.40
9/1 – 9/30/03	November 6, 2003	18,536.00	2,143.81
10/1 – 10/31/03	December 16, 2003	26,622.50	7,747.17
11/1 – 11/30/03	January 23, 2004	46,329.50	22.29
12/1 – 12/31/03	February 11, 2004	60,218.00	13,537.76
1/1 – 1/31/04	March 29, 2004	117,384.00	34,007.41
2/1 – 2/29/04	April 13, 2004	66,216.00	16,476.09
3/1 – 3/31/04	April 27, 2004	96,991.00	8,235.63
4/1 – 4/30/04	June 16, 2004	111,132.00	14,316.26
5/1 – 5/31/04	July 19, 2004	104,787.00	14,642.22
6/1 – 6/30/04	July 29, 2004	117,125.00	8,779.51
7/1 – 7/31/04	September 17, 2004	85,802.00	10,905.33
8/1 – 8/31/04	October 22, 2004	102,078.00	9,582.05
9/1 – 9/30/04	November 9, 2004	156,479.00	32,088.05
10/1 – 10/31/04	December 17, 2004	169,846.00	69,597.98
11/1 – 11/30/04	January 14, 2005	203,792.00	29,179.11
12/1 – 12/31/04	February 11, 2005	164,958.00	92,377.99
1/1 – 1/31/05	March 18, 2005	176,884.00	28,342.86
2/1 – 2/28/05	April 15, 2005	157,122.50	125,892.70
3/1 – 3/31/05	May 10, 2005	196,913.00	143,160.77
4/1 – 4/30/05	June 21, 2005	124,598.70	6,544.89
5/1 – 5/31/05	July 20, 2005	198,043.00	45,257.99
6/1 – 6/30/05	August 11, 2005	82,795.50	28,829.43
7/1 – 7/31/05	September 15, 2005	53,078.50	578.90
8/1 – 8/31/05	October 12, 2005	44,755.00	4,009.23
9/1 – 9/30/05	November 22, 2005	47,211.00	146.73
10/1 – 10/31/05	December 16, 2005	18,168.50	665.33

11/1– 11/30/05	January 31, 2006	11,158.00	17.20
12/1– 12/31/05	March 10, 2006	4,340.00	12.38
1/1 – 1/31/06	March 29, 2006	3,470.00	80.82
2/1 – 2/28/06	April 19, 2006	4,121.50	300.25
3/1 – 3/31/05	May 4, 2006	8,338.50	2,055.56
4/1 – 4/30/06	July 7, 2006	10,612.50	4,762.62
5/1– 5/31/06	July 13, 2006	54,925.00	2,871.85
6/1 – 6/30/06	August 4, 2006	108,519.50	669.50
7/1 – 7/31/06	October 3, 2006	44,957.50	425.85
8/1 – 8/31/06	October 31, 2006	4,800.50	87.00
9/1 – 9/30/06	None Submitted	–	–
TOTAL		\$3,090,867.50	\$775,269.47

The fees and costs as requested in the Quarterly Applications previously filed by Woodcock for the Eighth through the Twenty-First Interim Periods have been given final approval by the fee auditor. The Application for the Twenty-Second Interim Period is pending.

The Woodcock professionals who rendered ordinary course services during the current Quarterly Fee Period were:

Name of Professional	Position with the Applicant	Year Admitted to Bar	Department	Hourly Billing Rate	Total Billed Hours	Total Fees Generated
Gary H. Levin	Partner	1976	IP Litigation	\$505.00	26.3	\$13,281.50
David R. Bailey	Partner	1990	IP Litigation	\$415.00	3.0	\$1,245.00
Steve Timmins	Associate	2000	IP Counseling	\$305.00	16.3	\$4,971.50
Stephanie Barbosa	Associate	2005	IP Counseling	\$205.00	2.4	\$492.00
Noreen Garonski	Paralegal	-	Prosecution	\$175.00	0.8	\$140.00

Total Fees: \$20,130.00

Blended Rate: \$413.00

Expenses incurred in performing ordinary course services were as follows:

Summary Total of Expenses/Disbursements	
Travel & Expenses	\$ 454.30
Photocopying (Standard Copies)	\$ 21.59
Patent Copier	\$ 203.00
Computer Search	\$ 42.46
Postage & Delivery	\$ 0.63
TOTAL	\$ 721.98

Detail for "Travel & Expenses" is provided in the fee application for the month in which the expenses were incurred, attached as Exhibits A-B. With respect to disbursements for which compensation is requested, computer-assisted legal research and docket tracking are billed at no higher than actual cost, out-going fax charges are billed at no higher than \$1/page (with no charge for incoming faxes), and charges for standard copying are billed at no more than \$0.15/page.

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COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES
AS SPECIAL LITIGATION COUNSEL AND AS ORDINARY COURSE
PROFESSIONALS FOR W.R. GRACE & CO., *ET AL.*, FOR THE TWENTY-
THIRD QUARTERLY INTERIM PERIOD OF OCTOBER TO DECEMBER 2006**

Pursuant to section 327, 330 and 331 of Title 11 of the United States Code (as amended, the "Bankruptcy Code"), Fed. R. Bankr. P. 2016, the Retention Orders (as defined below), the Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Professionals and Official Committee Members (The "Interim Compensation Order"), the Amended Administrative Order under 11 U.S.C. §§ 105(a) and 331 Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members (The "Amended Interim Compensation Order") and

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Del.Bankr.LR 2016-2, the law firm of Woodcock Washburn LLP (“Woodcock”), special litigation counsel and ordinary course professional for the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), hereby applies for an order allowing it (i) compensation in the amount of \$20,130.00 for the reasonable and necessary legal service Woodcock has rendered to the Debtors and (ii) reimbursement for the actual and necessary expenses that Woodcock has incurred in the amount of \$ 721.98 for the interim quarterly period from October 1, 2006 through December 31, 2006 (the “Fee Period”). In support of this Application, Woodcock states as follows:

Background

Retention of Woodcock Washburn

1. By this Court’s order dated January 22, 2003, (the “Retention Order”), the Debtors were authorized to retain Woodcock as special litigation counsel to represent Debtor W.R. Grace & Co.-Conn in order to intervene as a defendant in a suit originally brought in 2002 in the District Court for the Northern District of Indiana but now pending, following a transfer pursuant to 28 U.S.C. § 1404, in the District of Minnesota as *Bartholic and Intercat, Inc. v. Nol-Tec Systems, Inc.*, civil action 03-CV-4886 (RHK/AJB) (the “Intercat suit”). On April 15, 2005, the Court entered a further Order (“the Expansion Order”) granting Debtor’s earlier “Motion for Authorization to Modify and Expand the Scope of Services Provided by Woodcock Washburn LLP.” This Order authorized Debtor to retain, and Woodcock to provide to Debtor, further services in ordinary course in the field of intellectual property and authorized Debtor to reimburse Woodcock for ordinary course services provided prior to the Order entry date. The

Retention Order and Expansion Order authorize the Debtor to compensate Woodcock at Woodcock's hourly rates charged for services of this kind and to reimburse Woodcock for actual and necessary out-of-pocket expenses that it incurred, subject to application to this Court in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, applicable local rules, and orders of this Court.

Interim Fee Applications Covered Herein

2. Pursuant to the procedures set forth in the Interim Compensation Order, as amended by the Amended Interim Compensation Order, professionals may apply for monthly compensation and reimbursement (each such application, a "Monthly Fee Application"); the notice parties listed in the Amended Interim Compensation Order may object to such request. If no notice party objects to a professional's Monthly Fee Application within twenty (20) days after the date of service of the Monthly Fee Application, the applicable professional may submit to the Court a certification of no objection whereupon the Debtors are authorized to pay interim compensation and reimbursement of 80% of the fees and 100% of the expenses requested.

3. Furthermore, and also pursuant to the Amended Interim Compensation Order, after the end of each quarter, professionals are to file and serve upon the notice parties a quarterly request (a "Quarterly Fee Application") for interim Court approval and allowance of the Monthly Fee Applications filed during the quarter covered by that Quarterly Fee Application. If the Court grants the relief requested by the Quarterly Fee Application, the Debtors are authorized and directed to pay the professional 100% of the fees and expenses requested in the Monthly Fee Applications covered by that Quarterly

Fee Application less any amounts previously paid in connection with the Monthly Fee Applications. Any payment made pursuant to the Monthly Fee Applications or a Quarterly Fee Application is subject to final approval of all fees and expenses at a hearing on the professional's final fee application.

4. This Quarterly Fee Application, which is submitted in accordance with the Amended Interim Compensation Order, is the sixteenth such quarterly Application for compensation for services rendered that Woodcock has filed with the Bankruptcy Court and covers the Fee Period October-December 2006 (the Twenty Third Quarterly Period).

5. Woodcock has filed the following Monthly Fee Applications for interim compensation during this Fee Period:

- a. Summary Application of Woodcock for Compensation for Services and Reimbursement of Expenses as Counsel to W.R. Grace & Co., *et al.*, for October 2006, filed December 21, 2006, attached hereto as Exhibit A.
- b. Summary Application of Woodcock for Compensation for Services and Reimbursement of Expenses as Counsel to W.R. Grace & Co., *et al.*, for December 2006, filed February 12, 2007, attached hereto as Exhibit B.

No applicable services were rendered or disbursements advanced during November 2006.

The Monthly Applications for October and December 2006 are pending.

6. In its role as special litigation counsel during this Fee Period, Woodcock has advised and represented W.R. Grace & Co.-Conn. in connection with details of the final settlement of the Intercat suit and matters relating to its business as affected by the Intercat suit. In its role as ordinary course professional, Woodcock has advised W.R.

Grace & Co.-Conn. on general matters relating to intellectual property and has performed general services in the intellectual property field, such as preparing and prosecuting patent applications and rendering opinions on certain intellectual property matters. Because Woodcock's fee applications may be obtained by third-parties, the descriptions of fee services provided here are necessarily more general than might otherwise be provided.

Requested Relief

7. By this Quarterly Fee Application, Woodcock requests that the Court approve the interim allowance of compensation for professional services rendered and the reimbursement of actual and necessary expenses incurred by Woodcock for the Fee Period and for the periods covered by the Petition, as detailed in the Applications and Petition, less any amount actually paid to Woodcock pursuant to the Applications and Petition during the pendency of this Quarterly Fee Application.

Disinterestedness

8. Woodcock does not hold or represent any interest adverse to the estates, and has been, at all relevant times, a disinterested person as that term is defined in section 101(14) of the Bankruptcy Code as modified by section 1107(b) of the Bankruptcy Code. Woodcock disclosed in its Application for Appointment as Special Litigation Counsel any connection it had to the Debtors that it had been able to ascertain using its reasonable efforts. Woodcock will update the disclosures where necessary if Woodcock becomes aware of material new information.

Representations

9. Woodcock believes that this Quarterly Fee Application complies with the requirements of Del.Bankr.LR2016-2 and the Amended Interim Compensation Order.

10. Woodcock performed the services for which it is seeking compensation on behalf of or for the Debtors and their estates, and not on behalf of any committee, creditor, or other person.

11. During the Fee Period, Woodcock has received no payment, nor has it received any promises for payment, from any other source for services rendered during the Fee Period or to be rendered in any capacity whatsoever in connection with its acting as counsel for Debtors.

12. Pursuant to Fed. R. Bank. P. 2016(b), Woodcock has not shared, nor has it agreed to share, (a) any compensation it has received or may receive with another party or person other than with the partners, counsel, and associates of Woodcock, or (b) any compensation another person or party has received or may receive in connection with the Chapter 11 case.

WHEREFORE, Woodcock respectfully requests that the Court enter an order providing (a) that, for this Fee Period, October 1, 2006, through December 31, 2006, an administrative allowance be made to Woodcock in the amounts of (i) \$20,130.00 as compensation for reasonable and necessary professional services rendered for the Debtors and (ii) \$721.98 for reimbursement of actual and necessary costs and expenses incurred, for a total of \$20,851.98 and (b) that the Debtors be authorized and directed to pay to Woodcock these outstanding amounts less any amounts previously paid

to Woodcock pursuant to the Applications and the procedures set forth in the Interim Compensation Order.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Gary H. Levin", with a stylized flourish at the end.

Date: February 20, 2007

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